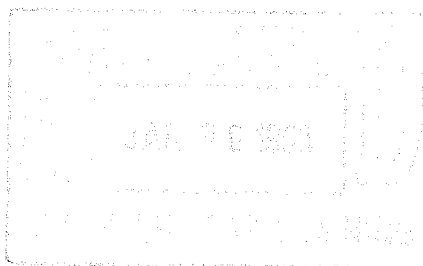


Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, Utah 84044-6001
(801) 252-3000

January 30, 1998

Kennecott

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801



RE: Annual Reports for 1997, Kennecott Utah Copper Corporation

Dear Mr. Hedberg:

Enclosed are the completed annual report forms for the following DOGM permits:

M/035/002	Bingham Pit and UCD Modernization,
M/035/011	4th Line/Copperton Concentrator,
M/035/015	North Impoundment,
M/045/004	Pine Canyon Reclamation Project.

Also enclosed are maps covering the Bingham Pit area, Copperton Concentrator, the North Concentrator area, Pine Canyon, the existing Tailings Impoundment and the North Impoundment. These maps show surface facilities as they existed in 1997.

Kennecott Utah Copper Corporation (KUCC) assumes that for areas where permit boundaries overlap, the newer permit takes precedence. Any disturbance or reclamation occurring in the overlapping area has been assigned to the newer permit with the following exceptions:

Disturbance and reclamation on the existing Tailings Impoundment has been assigned to the 4th Line/Copperton Concentrator Permit rather than to the Bingham Pit/UCD Modernization Permit;

Disturbance and reclamation within the North Impoundment permit boundaries but which occurred on the existing Tailings Impoundment has been assigned to the 4th Line/Copperton Concentrator Permit.

0022

These exceptions have been made in order to be consistent with previous annual reports. KUCC intends to complete an inventory of cumulative disturbance and reclamation for each permit area in 1998. Based upon this information, acreages reported in the 1998 Annual Reports will be assigned solely on the basis of the permit boundaries.

In addition to the reclamation activities documented in the attached reports, the following work was conducted by KUCC outside of the DOGM permit boundaries:
Jurisdiction?

Little Valley/Kessler Canyon - about 300 acres were aerially seeded with native grasses, trees and shrubs,

Lower Kessler Canyon - about 500 trees were hand planted,

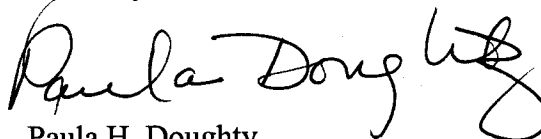
Refinery Remediation - about 30 acres were reclaimed when old process ponds at the Refinery were cleaned up, capped and revegetated,

Garfield Gravel Pit - about 3 acres were reclaimed by seeding and installation of a drip irrigation system.

In 1997 KUCC spent more than 1.15 million dollars on reclamation activities. These costs included purchases of seed, fertilizer, mycorrhizae and trees, seedbed preparation, application and planting. Excluded from these costs are such activities as contaminated soil removals, major recontouring efforts and soil emplacement which were paid for by the individual construction and remediation projects. More than eighty percent of this money was spent within the boundaries of permit # M/035/002. After correcting for inflation, this equates to more than \$400,000 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact Rich Borden at 569-6208.

Sincerely,

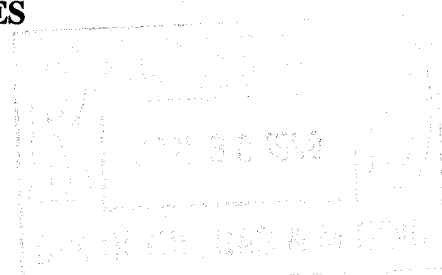


Paula H. Doughty
Manager, Environmental Compliance

Enclosures

RB:lar

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) **1/97** To (mo./yr.) **12/97**
2. DOGM File Number (Mine No.): **M/035/002**
3. Mine Name: **Bingham Pit & UCD Modernization**
4. Mineral(s) Mined (or permitted to mine): **Copper and associated metals.**
5. Type of mine: ☒ **Surface Mine** or ☐ **Underground Mine**
6. Legal Description, (Location of Lands Affected):

Sections 7, 8, 9, 10, 11, 17, 18, 19, 20, 21, 30, & 32T1S, R2W;
Sections 9, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26 & 36.....T1S, R3W;
Sections 4, 5, 9, 10, 11, 14, 15, 22, 23, 27 & 33.....T2S, R2W;
Sections 7, 17, 18 & 19.....T3S, R1W;
Sections 4, 8, 9, 13, 14, 15, 16, 17, 19, 20, 21, 24, 25,
28, 29, 30, 31, & 32.....T3S, R2W;
Sections 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27,
33, 34, 35 & 36.....T3S, R3W;
Sections 6 & 7.....T4S, R2W;
Sections 1, 2, 3, 11 & 12.....T4S, R3W;

Salt Lake Base and Meridian, Salt Lake County, Utah

7. Name of Operator or Company: Kennecott Utah Copper Corporation

8. Permanent Street Address: P. O. Box 6001
City, State, Zip: 8315 W. 3595 South
Magna, UT 84044
Phone: (801) 252-3257

9. Company Representative (or designated operator):
Name: Paula Doughty
Title: Manager, Environmental Compliance
Business Address: P. O. Box 6001
City, State, Zip: Magna, UT 84044
Phone: (801) 252-3257

X Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes X No

2. If active, how much ore or mineral was mined?

60.8 million short tons

3. How much additional acreage was disturbed during the past year?

Approximately 16.3 acres were disturbed in waste rock disposal areas surrounding the open pit, 2.9 acres by open pit expansion, 509 acres at the foot of the Eastside Dumps, 20 acres in lower Butterfield Canyon and 40 acres around the North Concentrator. Total disturbed area was 588.2 acres.

ASSOCIATED WITH
RECLAMATION ACTIVITIES
ON SOUTHEAST END OF EAST
SIDE DUMP.

4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

REMOVAL OF PRE-KENNECOTT TAILINGS

ROAD RECLAMMENT

Expansion of the pit on the upper northwest wall disturbed 2.9 acres in 1997. Waste rock disposal in Dry Fork Gulch, Markham Gulch, and immediately south of the Yosemite shops disturbed an additional 16.3 acres. Modifications to the surface and ground water collections systems at Midas Creek disturbed 45 acres. Final construction work at the Bingham Cutoff wall disturbed 174 acres. The new Bingham Mine Road disturbed 210 acres and the new Mine Lowboy road disturbed about 80 acres. Most of the disturbance associated with the roads was on previously reclaimed waste rock disposal areas. Construction of a new road

between Bonneville Gate and the North Concentrator disturbed 40 acres. The clean up of historical tailings material in lower Butterfield Canyon disturbed about 20 acres. As described below, much of this acreage was also reclaimed in 1997.

5. How much acreage was reclaimed during the past year?

In 1997, 677 acres were reclaimed by slope reduction, recontouring and/or topsoil emplacement. About 759 acres were seeded and fertilized.

6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

The following reclamation activities were completed in 1997:

Eastside Drainages	200 acres were recontoured, topsoiled and had drainage established. 318 acres were seeded.
Bingham Creek	174 acres had unsuitable soils removed, fill added, were recontoured, topsoiled and had drainage established. 174 acres were seeded.
New Bingham Mine Road	139 acres were recontoured and had topsoil and subsoil placed. 139 acres were seeded.
New Lowboy Road	80 acres were recontoured and had new subsoil and topsoil placed. 44 acres were seeded.
North Concentrator Road	40 acres were recontoured and had subsoil and topsoil placed. 40 acres were seeded.
Lower Butterfield Canyon	20 acres had historic tailings removed, were recontoured and had topsoil placed. 20 acres were seeded.
Arthur Debris Area	15 acres were cleared of debris, had contaminated soils removed and were recontoured. 15 acres were seeded.
Miscellaneous	9 acres were recontoured. 9 acres were seeded.